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10/768,393	01/30/2004	Daniel Nevins	008333-5001	3797

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EXAMINER
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VIZVARY, GERALD C

ART UNIT	PAPER NUMBER
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3609

MAIL DATE	DELIVERY MODE
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10/03/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

10/768,393

**Applicant(s)**

NEVINS, DANIEL

**Examiner**

Gerald C. Vizvary

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-8 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-8 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_.

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_.

## **DETAILED ACTION**

### ***Claim Objections***

1. Claim 7 is objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

### ***Claim Rejections - 35 USC § 102***

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. Claims 1-8 are rejected under USC 102(e) as being unpatentable under Jenson (US 2003/0028466 A1).

As for claim 1, Jenson US 2003/0028466 A1 shows a method for committing capital to a private equity portion of an investment portfolio, wherein the investment portfolio includes the private equity portion and a liquid portion, comprising:

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(a) determining a committed capital target based on an expected rate of return of the liquid portion of the portfolio, an expected rate of return of the private equity portion of the portfolio, an expected rate at which distributions are paid from the private equity portion of the portfolio, and an expected rate at which capital commitments associated with the private equity portion of the portfolio are invested ("These portfolios allow portfolio integration module 107 to distinguish between assets and contributions needed to meet short-term goals and assets and contributions needed for long-term goals. In this manner, the model allocation balances the short-term risks in the market with long-term return potential." Jenson US 2003/0028466 A1 ¶ [0030]);

(b) comparing an actual value of committed capital in the private equity portion of the portfolio with the committed capital target ("A portfolio integration module facilitates integration of at least one of a user's goals, assets, savings, and risk tolerance in analyzing and developing a customized strategy for financial planning of the user. A portfolio reconciler module communicates with the portfolio integration module to facilitate comparison of the customized strategy to other strategies and projected financial decisions in order to further facilitate the financial planning of the user." Jenson US 2003/0028466 A1 ¶ [0010]);

(c) delaying commitment of further capital in the private equity portion of the portfolio if the actual value of committed capital in the private equity portion of the portfolio exceeds the committed capital target ("Based upon the outcomes of the

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stochastic modeling module 111 and other inputs, a stochastic determination is made and a customized proposed situation portfolio is delivered to user 101. User 101 has the ability to propose specific implementation recommendation adjustments in an effort to match the current situation with the proposed situation portfolio." Jenson US 2003/0028466 A1 ¶ [0045]); and

(d) committing further capital in the private equity portion of the portfolio if the actual value of committed capital in the private equity portion of the portfolio is below the committed capital target ("The proposed situation portfolio may use stochastic modeling module 111 to rerun its analysis and generate an updated stochastic determination, as well as supplemental or updated proposed situation portfolio information. Server 105 provides user 101 with the ability to present information using either stochastic modeling and/or deterministic illustrations in the proposal. As such, user 101 can determine how best to illustrate financial planning concepts or analyze financial planning needs to server 105, and using a stochastic modeling approach allows user 101 a method to communicate his or her needs to server 105." Jenson US 2003/0028466 A1 ¶ [0045])

As for claim 2, Jenson US 2003/0028466 A1 shows a method of claim 1, wherein step (a) further comprises determining the committed capital target in accordance with a target for invested capital in the private equity portion of the portfolio ("The portfolio strategies include various portfolios, such as taxable assets, taxable savings, and tax-deferred assets/savings. These portfolios allow server 105 to

distinguish between assets and savings needed to meet short-term goals and assets and savings needed for long-term goals. In this manner, the proposed situation portfolio balances short-term market risks with long-term return potential. For example, portfolio integration module 107 can assess changes in financial planning assumptions, tax laws, other laws and regulations, and other developments, and integrate these changes into the proposed situation portfolio.”

Jenson US 2003/0028466 A1 ¶ [0027])

As for claim 3, Jenson US 2003/0028466 A1 shows a method of claim 2, wherein the target for committed capital is determined in step (a) in accordance with the following equation:

$$C^* = I^* [1 + ((1/r_{IN}) \times [(1-I^*) \times (r_L - r_I) + r_{DI}])]$$

wherein  $C^*$  corresponds to the target for committed capital,  $I^*$  corresponds to the target for invested capital in the private equity portion of the portfolio,  $r_L$  corresponds to the expected rate of return of the liquid portion of the portfolio,  $r_I$  corresponds to the expected rate of return of the private equity portion of the portfolio,  $r_{DI}$  corresponds to the expected rate at which distributions are paid from the private equity portion of the portfolio, and  $r_{IN}$  corresponds to the expected rate at which capital commitments associated with the private equity portion of the portfolio are invested.

("In one exemplary embodiment of the present invention, server 105 uses various formulas for calculating each projection's cash flow and asset level which are aggregated into the probability of meeting a goal, percentage of likelihood of success, and/or the like. Some considerations include analysis of income, liabilities, assets, living expenses (e.g., income minus liabilities, savings, insurance premiums, taxes, and/or the like), and various scenarios (normal lifespan, disability, early death, retirement, and/or the like). Depending on the needs of system 100, analysis of such information may be broad (e.g., one value for liabilities) or detailed (e.g., specific breakdowns of each liability, such as house payment, car payment, student loans, etc.)." Jenson US 2003/0028466 A1 ¶ [0027])

As for claim 4, Jenson US 2003/0028466 A1 shows a method of claim 2, wherein steps (a)-(d) are repeated periodically, thereby causing a value representing actual invested capital in the private equity portion of the portfolio to converge to the target for invested capital in the private equity portion of the portfolio ("To maintain such information, portfolio reconciler module 109 may be linked through the Internet to the current offerings of any company. Alternatively, portfolio reconciler module 109 may be maintained on a static database that may be updated either by batch processing (i.e., periodic updates) or in real time. Thus, portfolio reconciler module 109 further develops the proposed situation portfolio for user 101 by selecting the specific investments to fulfill those strategies." Jenson US 2003/0028466 A1 ¶ [0041])

As for claim 5, Jenson US 2003/0028466 A1 shows a method of claim 4, wherein steps (a)-(d) are repeated annually ("System assumptions for asset allocation and growth rates include the asset growth rates vary annually and are based on historical returns for cash, bonds, and stocks Jenson US 2003/0028466 A1 ¶ [0085])

As for claim 6, Jenson US 2003/0028466 A1 shows a method of claim 4, wherein at least one of the expected rate of return of the liquid portion of the portfolio, the expected rate of return of the private equity portion of the portfolio, the expected rate at which distributions are paid from the private equity portion of the portfolio, and the expected rate at which capital commitments associated with the private equity portion of the portfolio are invested, are recalculated during a subsequent iteration of step (a) ("Stochastic modeling module 111 uses a stochastic sampling methodology of synchronous station bootstrap sampling of historical data to develop the probability of financial success after review of at least one of user's 101 data, user's 101 goals, user's 101 goal assumptions, and historical data." Jenson US 2003/0028466 A1 ¶ [0025])

As for claim 7, Jenson US 2003/0028466 A1 shows a method of claim 6, wherein each of the expected rate of return of the liquid portion of the portfolio, the expected rate of return of the private equity portion of the portfolio, the expected rate at which distributions are paid from the private equity portion of the portfolio,



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and the expected rate at which capital commitments associated with the private equity portion of the portfolio are invested, are recalculated during a subsequent iteration of step (a). ("Stochastic modeling module 111 uses a stochastic sampling methodology of synchronous station bootstrap sampling of historical data to develop the probability of financial success after review of at least one of user's 101 data, user's 101 goals, user's 101 goal assumptions, and historical data." Jenson US 2003/0028466 A1 ¶ [0025])

As for claim 8, Jenson US 2003/0028466 A1 shows a system for committing capital to a private equity portion of an investment portfolio, wherein the investment portfolio includes the private equity portion and a liquid portion, comprising a computer with software that causes the computer to:

(a) determine a committed capital target based on an expected rate of return of the liquid portion of the portfolio, an expected rate of return of the private equity portion of the portfolio, an expected rate at which distributions are paid from the private equity portion of the portfolio, and an expected rate at which capital commitments associated with the private equity portion of the portfolio are invested

(b) compare an actual value of committed capital in the private equity portion of the portfolio with the committed capital target;

(c) delay commitment of further capital in the private equity portion of the portfolio if the actual value of committed capital in the private equity portion of the portfolio exceeds the committed capital target; and

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(d) commit further capital in the private equity portion of the portfolio if the actual value of committed capital in the private equity portion of the portfolio is below the committed capital target.

("The present invention may be described herein in terms of functional block components and various processing steps. It should be appreciated that such functional blocks may be realized by any number of hardware and/or software components configured to perform the specified functions. For example, the present invention may employ various integrated circuit components, e.g., memory elements, processing elements, logic elements, look-up tables, and the like, which may carry out a variety of functions under the control of one or more microprocessors or other control devices. Similarly, the software elements of the present invention may be implemented with any programming or scripting language such as C, C++, Java, COBOL, assembler, PERL, or the like, with the various algorithms being implemented with any combination of data structures, objects, processes, routines, or other programming elements." Jenson US 2003/0028466 A1 ¶ [0093])

### ***Conclusion***

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

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Hugh (20030227487 A1) shows a way of adding predictability, organization, and reducing the confusion inherent in user interfaces to shared collections of data items accessible or modified by numbers of different users independently. A group of users can predefine categories of data items, relationships between data items, and rules governing the creation and modification of those relationships based on those categories. The predefined model includes interactive triggers presented to users in the context of certain data items or data item relationships. Those triggers cause new data items or data relationships to be entered or existing ones modified according to the group's pre-defined practices. User-based permissions can be attached not only to data items, but also to relationships between data items. Accordingly, two or more users may view a first data item, yet each views a different set of other data items directly related to that first data item based on those relationship permissions.

Conklin (2002/0091621 A1) shows modeling of financial instruments (e.g., proposed securities) with initial financial parameters to facilitate defining a financial instrument with final financial parameters for actual issuance in the primary offering. The issuer models the initial financial parameter data associated with a corresponding proposed financial instrument based on at least market data relevant to the issuance of the proposed financial instrument. The initial financial parameter data is communicated between an issuer and an underwriter in a posting document via a communications network. The issuer and the underwriter collaborate via electronic communications to determine the final

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financial parameters of a financial instrument to be issued in the primary offering based on the initial parameter data and an agreement between the issuer and the underwriter.

Nations (2002/0138299 A1) shows methods and processes for creating a new investment vehicle, which reduces risk while investing in a single asset or index.

A fund invests the bulk of its assets in an asset and allocates a fixed annual percentage of its assets to the purchase of hedging derivatives. Each period's investment is treated as a separate tranche or slice of the fund. This allows for subsequent redemptions to be handled appropriately.

Barton, III (US 6026381 A) shows a system for classifying investment products into a set of hierarchical buckets based on existing CUSIP numbers and other prospectus information is disclosed herein. A bucket is an investment product classification that uniquely and consistently identifies an investment product type. In the preferred embodiment, there are buckets to classify individual securities and mutual funds into product, asset and fund types. Each bucket is a unique combination of product, asset or fund codes. Unique combinations of the actual codes define a particular bucket. Thus, the present invention provides a standard classification system into which all investment products can be categorized and grouped. Three sets of hierarchical investment buckets are created to provide a standard set of both general and detailed investment buckets. Each set of buckets is directed to a specific classification purpose: a set of product buckets, a

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set of asset buckets, and a set of fund buckets. The present invention uses CUSIP numbers as the keys for aggregating securities into a standard set of invention uses the standard product buckets, asset buckets and fund buckets to classify investment positions.

Dembo (2001/0011243 A1) shows a risk management system and method of determining a risk metric for a portfolio of instruments is provided. The system and method include a database wherein determined risk values for instruments in a set of instruments under each scenario can be maintained. At least one risk engine can be employed to determine values for the instruments and at least one aggregation engine can be employed to produce desired risk metrics for the set of instruments or a subset thereof. Each risk engine and each aggregation engine is connected to the database by an appropriate network.

Johnson (20020049659 A1) method of valuation of large groups of assets by partial full underwriting, partial sample underwriting and inferred values of the remainder using an iterative and adaptive statistical evaluation of all assets and statistical inferences drawn from the evaluation and applied to generate inferred values. Individual asset values are developed and listed in tables so that individual asset values can be taken and quickly grouped in any desired or prescribed manner for bidding purposes. The assets are collected into a database, divided by credit variable, subdivided by ratings as to those variables and then rated individually. The assets are then regrouped according to a bidding

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grouping and a collective valuation established by cumulating the individual valuations.

Bertsimas, Dimitri, et al. Portfolio construction through mixed integer programming shows mixed integer programming for the single portfolio problem including number of names, liquidity of the portfolio and the multiple portfolio problem.

Muksian, Robert, Ph.D. Financial Mathematics Handbook Chapter 7 shows formulas dealing with the evaluation of investment alternatives.

Baum, Gunther, Asset-Liability-Management for Pension Funds: Some General Remarks, AFIR Colloquium October 1-3, 1996 shows investment strategies including valuation of assets, investment principle formulation including liquidity requirement, asset-liability modeling including the Total Fund Model, Risk Capacity Models and Strategy Test Models.

Halloway, Clark, A Note on Testing an Aggressive Investment Strategy Using Value line Ranks, The Journal of Finance. Vol. XXXVI, June 1981 shows the Value Line (VL) formula and Value Line Active Trading Contribution (VLATC) using sub-portfolios.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gerald C. Vizvary whose telephone number is 571-270-3268. The examiner can normally be reached on Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Khoi Tran can be reached on 571-272-6919. The fax phone number for the organization where this application or proceeding is assigned is 571-270-4268.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Gerald Vizvary  
Patent Examiner, A.U. 3609  
September 28, 2007

  
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